

In the Matter of)
) ORDER NO. D07-152
FINANCIAL CASUALTY & SURETY,)
INC.) CONSENT AND ORDER LEVYING
) A FINE
Authorized Insurer

FINDINGS OF FACT

1. Financial Casualty & Surety, Inc. ("FCS") received its Washington certificate of authority in February, 2005, and began issuing bail bonds in Washington later that year.
2. During the course of an investigation of a bail bond agency, questions arose about FCS's bail bond rates in the State of Washington. FCS responded to a Washington Office of the Insurance Commissioner ("OIC") inquiry; stating that it filed bail bond rates in June, 2005, and that it had been operating under the belief that bail bond rates were "file and use" under RCW 48.19.070(1).
3. The Office of the Insurance Commissioner has no record of a rate filing by FCS prior to 2007. FCS has no copies of rate filings, nor any other documentation definitively demonstrating that it filed rates with the OIC prior to 2007.
4. Rates for bail bonds are not filed under RCW 48.19.070(1), but instead require prior approval under RCW 48.19.040.
5. When this matter was brought to FCS's attention in late January 2007, FCS filed its rates with the OIC. The OIC was able to approve FCS's rate filing effective March 20, 2007. However, FCS continued to issue bail bonds prior to receiving rate approval from the OIC.
6. FCS issued 1,645 bail bonds using unfiled rates.

CONCLUSIONS OF LAW

1. By using rates not filed with and approved by the OIC, FCS violated RCW 48.19.040(1).

ORIGINAL

2. By using rates not filed with and approved by the OIC, FCS violated RCW 48.19.040(6).
3. Under RCW 48.19.430, a fine for non-willful violation of Chapter 48.19 is authorized in an amount not more than fifty dollars per violation.

CONSENT TO ORDER

NOW, THEREFORE, FCS consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of FCS's fine on such terms and conditions as are set forth below:

1. FCS consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order;
2. Within thirty days of the entry of this Order, FCS agrees to pay to the OIC a fine in the amount of \$16,450 (Sixteen-Thousand, Four-Hundred and Fifty Dollars);
3. Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of FCS's license; and
4. FCS understands and agrees that any future failure to comply with the statutes which are the subject of this Order constitutes grounds for further penalties which may be imposed in direct response to that further violation.

EXECUTED this 30TH day of NOVEMBER, 2007.

FINANCIAL CASUALTY & SURETY, INC.

By: _____

Title: _____

PRESIDENT

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. Financial Casualty & Surety, Inc. is ordered to pay a fine in the amount of \$16,450 (Sixteen-Thousand, Four-Hundred and Fifty Dollars).
2. FCS's failure to pay the fine within the time limit set forth above shall result in the revocation of FCS's status as an Authorized Surety Company, and in the recovery of the fine through a civil action brought on behalf of the Commissioner by the Attorney General.

ENTERED AT TUMWATER, WASHINGTON this 11th day of December,
200 .

Mike Kreidler
Washington State Insurance Commissioner

By: Andrea L. Philhower
Andrea L. Philhower
Staff Attorney, Legal Affairs Division